

by giving HCFA notice of its intent to terminate. A termination must be effective on the last day of a calendar quarter. The State must notify HCFA of its intent to terminate at least 90 days before the effective date of the termination.

#### Subpart D—[Reserved]

#### Subpart E—Beneficiary Counseling and Assistance Grants

SOURCE: 59 FR 51128, Oct. 7, 1994, unless otherwise noted.

##### § 403.500 Basis, scope, and definition.

(a) *Basis.* This subpart implements, in part, the provisions of section 4360 of Public Law 101-508 by establishing a minimum level of funding for grants made to States for the purpose of providing information, counseling, and assistance relating to obtaining adequate and appropriate health insurance coverage to individuals eligible to receive benefits under the Medicare program.

(b) *Scope of subpart.* This subpart sets forth the following:

- (1) Conditions of eligibility for the grant.
- (2) Minimum levels of funding for those States qualifying for the grants.
- (3) Reporting requirements.

(c) *Definition.* For purposes of this subpart, the term “State” includes (except where otherwise indicated by the context) the 50 States, the District of Columbia, the Commonwealth of Puerto Rico, the Virgin Islands, Guam, and American Samoa.

##### § 403.501 Eligibility for grants.

To be eligible for a grant under this subpart, the State must have an approved Medicare supplemental regulatory program under section 1882 of the Act and submit a timely application to HCFA that meets the requirements of—

- (a) Section 4360 of Public Law 101-508 (42 USC 1395b-4);
- (b) This subpart; and
- (c) The applicable solicitation for grant applications issued by HCFA.

##### § 403.502 Availability of grants.

HCFA awards funds to States subject to congressional appropriations of funds and, if applicable, subject to the satisfactory progress in the State's project during the preceding grant period. The criteria by which progress is evaluated and the performance standards for determining whether satisfactory progress has been made is specified in the notice of grant award sent to each State. HCFA advises each State as to when to make application and provides information as to the timing of the grant award and the duration of the grant award. HCFA also provides an estimate of the amount of funds that may be available to the State.

##### § 403.504 Number and size of grants.

(a) *General.* HCFA awards the following types of grants:

- (1) New program grants.
- (2) Existing program enhancement grants.

(b) *Grant Award.* Each eligible State that submits an acceptable application receives a grant including a fixed amount (minimum funding level) and a variable amount.

(1) A fixed portion is awarded to States in the following amounts:

- (i) Each of the 50 States, \$75,000.
- (ii) The District of Columbia, \$75,000.
- (iii) Puerto Rico, \$75,000.
- (iv) American Samoa, \$25,000.
- (v) Guam, \$25,000.
- (vi) The Virgin Islands, \$25,000.

(2) A variable portion, which is based on the number and location of Medicare beneficiaries residing in the State is awarded to each State. The variable amount a particular State receives is determined as set forth in paragraph (c) of this section.

(c) *Calculation of variable portion of the grant.* (1) HCFA bases the variable portion of the grant on—

- (i) The amount of available funds, and
- (ii) A comparison of each State with the average of all of the States (except the State being compared) with respect to three factors that relate to the size of the State's Medicare population and where that population resides.

(2) The factors HCFA uses to compare States' Medicare populations comprise separate components of the variable